

Message Text

UNCLASSIFIED

PAGE 01 PARAMA 00332 061431Z
ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 DOE-11 SOE-02 /125 W
-----125559 062033Z /47

R 061431Z MAR 78
FM AMEMBASSY PARAMARIBO
TO SECSTATE WASHDC 1428
INFO AMEMBASSY GEORGETOWN
AMEMBASSY PORT OF SPAIN
AMEMBASSY THE HAGUE

UNCLAS PARAMARIBO 332

E.O. 11652: N/A
TAGS: ECON ETRD NS
SUBJ: NEGATIVE BALANCE OF PAYMENTS IN 1977

1. THE PRESIDENT OF SURINAM'S CENTRAL BANK, VICTOR DE MIRANDA, HAS ANNOUNCED THAT SURINAM'S 1977 BALANCE OF PAYMENTS INCLURRED A DEFICIT OF ABOUT SF. 31 MILLION KUS (\$17.5 MILLION). THIS COMPARES WITH A SURPLUS IN 1976 OF ABOUT SF. 37 MILLION (US \$20.9 MILLION), AND ACCORDING TO DE MIRANDA IS THE FIRST SUBSTANTIAL BALANCE OF PAYMENTS DEFICIT IN SURINAM SINCE 1962 (THERE WAS A SLIGHT DEFICIT IN 1971).

2. DE MIRANDA ATTRIBUTES THE DEFICIT FOR THE MOST PART TO WHAT HE BELIEVES IS AN INFLATIONARY SPENDING POLICY BY THE SURINAM GOVERNMENT (GOS). ALTHOUGH FIGURES FOR THE COMPONENTS OF THE BALANCE OF PAYMENTS HAVE NOT YET BEEN RELEASED, DE MIRANDA TOLD CHARGE THAT TRADE BALANCE WILL BE NEGATIVE (IT AVERAGED OVER US \$30 MILLION IN THE PERIOD 1972-1976, AND WAS IN SURPLUS BY US 31 MILLION IN 1976), CURRENT ACCOUNT WILL BE NEGATIVE (AS HAS BEEN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARAMA 00332 061431Z

TRUE IN RECENT YEARS), WHILE CAPITAL ACCOUNT (THANKS TO INFLOWS OF NETHERLANDS DEVELOPMENT ASSISTANCE FUNDS) WILL BE STRONGLY POSITIVE.

3. DE MIRANDA'S RECOMMENDATIONS IN THE LIGHT OF THE PAYMENTS DEFICIT INCLUDE A BALANCED GOS BUDGET, STIMULATION OF LOCAL EXPORT-ORIENTED PRODUCTION, IMPORT SUBSTITUTION,

INCREASING INVESTMENT INCENTIVES, AND MAINTAINING A CLOSER RELATIONSHIP BETWEEN THE MONEY SUPPLY AND THE GROWTH IN PRODUCTION OF GOODS AND SERVICES. MEANWHILE, THE CENTRAL BANK IS CONTINUING ITS POLICY OF ENCOURAGING LOCAL BANKS TO LIMIT THE GROWTH OF THEIR LOANS, A LARGE NUMBER OF WHICH ARE TO THE FOREIGN TRADE SECTOR. IN A RELATED MATTER, DE MIRANDA AGAIN URGED IMPORTERS TO SHIFT TO SOURCES OF SUPPLY SUCH AS THE U.S. WHERE THE VALUE OF THE US DOLLAR-TIED SURINAM GUILDER IS MAINTAINED.

4. COMMENT: IT REMAINS UNCLEAR JUST HOW SERIOUS GOS REGARDS THE APPEARANCE OF A DEFICIT IN ITS BALANCE OF PAYMENTS AND WHAT MEASURES IT IS PREPARED TO TAKE TO IMPROVE SURINAM'S PAYMENTS POSITION.
LORTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS DEFICITS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARAMA00332
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780101-0241
Format: TEL
From: PARAMARIBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803102/aaaadiwj.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3e2af8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3106557
Secure: OPEN
Status: NATIVE
Subject: NEGATIVE BALANCE OF PAYMENTS IN 1977
TAGS: ECON, ETRD, NS
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/3e2af8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014